

BEFORE THE IOWA INSURANCE DIVISION

- - - - -X
 IN RE: :
 : PUBLIC HEARING
 COOPORTUNITY HEALTH PROPOSED :
 2015 RATE INCREASE :
 - - - - -X

Mercy College of Nursing
 Sullivan Center
 928 Sixth Avenue
 Room 210
 Des Moines, Iowa
 Saturday, July 26, 2014

The above-entitled matter came on for hearing at 10:30 a.m.

BEFORE: NICK GERHART, Insurance Commissioner

Also Present: ANGEL ROBINSON, ESQ.
 Consumer Advocate
 Iowa Insurance Division
 Two Ruan Center
 601 Locust, 4th Floor
 Des Moines, Iowa 50309-3738

 JULIANNE LAWRENCE
 Iowa Insurance Division

THERESA KENKEL - CERTIFIED SHORTHAND REPORTER

1 P R O C E E D I N G S

2 COMMISSIONER GERHART: Good morning. We're
3 going to go ahead and get started with the public
4 hearing for CoOpportunity Health's proposed 2015 rate
5 increase.

6 I'm Nick Gerhart--

7 UNIDENTIFIED VOICE: Council Bluffs can't
8 hear you.

9 COMMISSIONER GERHART: Can you hear that,
10 Nate? You should be able to hear that, Nate. Can
11 you hear that?

12 UNIDENTIFIED VOICE: Yes. You're on.

13 COMMISSIONER GERHART: Okay. Okay.

14 Again, for the benefit of Council Bluffs,
15 this is a public hearing for CoOpportunity Health's
16 proposed rate increase for 2015.

17 I'm Nick Gerhart, Insurance Commissioner for
18 the State of Iowa. I'm going to make opening
19 remarks, and then we're going to have a presentation
20 of public comments by Angel Robinson, Consumer
21 Advocate for the Insurance Division.

22 There will be opportunity for additional
23 public comment by any interested party. We'll start
24 with any interested party here in Des Moines, and
25 then we'll turn it over to anybody in one of our

1 off-site locations, Burlington, Council Bluffs, Cedar
2 Rapids, Fort Dodge, Mason City, and Spencer. Then
3 the carrier, CoOpportunity Health, will have an
4 opportunity for some remarks. And then I will have
5 some closing remarks.

6 I would ask for anyone who is going to speak
7 to clearly identify who you are. This hearing is
8 being transcribed. So identify yourself for the
9 benefit of all of us in this room, especially for the
10 individual transcribing this.

11 Please speak into the microphone. Do not
12 depress the microphone. If you accidentally depress
13 the microphone, as Council Bluffs just told us, they
14 won't be able to hear you.

15 Again, every individual who is interested
16 will have an opportunity to speak and make comments,
17 but we want to do it singularly. So we will turn it
18 over to the folks here in Des Moines if there's
19 anyone interested, and then go to the other
20 locations.

21 So with that, Angel, would you please
22 proceed with any public comments that the Insurance
23 Division received.

24 MS. ROBINSON: Good morning, Commissioner
25 Gerhart. Thank you for this opportunity to present

1 the comments presented by the--from the public in
2 regard to the CoOpportunity rate increase request.

3 Under Iowa Code 505.19, procedures are set
4 forth that any rate increase request exceeding the
5 average annual health spending growth rate published
6 by the Centers for Medicare and Medicaid Services
7 will be subject to additional public transparency,
8 which includes early notification to the affected, or
9 potentially affected, policyholders, as well as an
10 opportunity to comment.

11 Under Iowa law, the Consumer Advocate is
12 required to solicit the public comment and to report
13 those comments to the Commissioner prior to a
14 decision being made on the proposed rate increase.

15 As of June of this year, I received
16 notification that CoOpportunity Health is seeking an
17 average rate increase exceeding 6.1 percent. It is
18 proposed that that rate increase would take effect
19 starting January 2015. As that amount exceeds the
20 threshold, we are now subject to the notice and
21 hearing laws for the State.

22 Of the comments that I received from the
23 public in regard to CoOpportunity's request, I had 16
24 total. Of those 16 comments, none of the comments
25 actually approved or agreed with the request, and

1 they asked for a denial, or they disagreed with it.

2 80 percent of those who disagreed or asked
3 for a denial of the rate increase attributed that to
4 the affordability factors and concerns. A lot of the
5 affordability concerns had to do with the fact that
6 the individuals were living under a fixed income or
7 budget, or that there was the possibility that some
8 of the individuals would even have to cancel their
9 health insurance for the upcoming year due to
10 affordability concerns.

11 The affordability concerns also included the
12 fact that some individuals were consciously trying
13 not to use or abuse their health insurance, and so
14 there was some concerns that the individuals were
15 paying for premium increases for insurance that they
16 were not utilizing. So there was some usage issues
17 and concerns that were raised.

18 Additionally, 25 percent of those comments
19 expressed disappointment that they were receiving a
20 rate increase so shortly and quickly after they had
21 begun their plans with CoOpportunity Health as they
22 had just started in January of this year.

23 Additionally, some of those comments
24 regarding the influence or intent of affordability
25 was referenced for the Federal Patient Protection and

1 Affordable Care Act. Commentors questioned the
2 effectiveness of the law, as well as the long-term
3 ability for the loss of insured's affordability in
4 health care insurance.

5 Consumers made comments and expressed
6 concerns about the fact that increased health
7 insurance would not be affordable for them, and that
8 some were struggling to pay for their insurance
9 coverage now even with subsidies.

10 Additionally and lastly I would say that any
11 consumer that wishes to comment can continue to do so
12 under Iowa law until a decision is made on this
13 increase. At this time, we only have a total of 16
14 comments. Any additional comments after that period
15 will continue to be published on the website,
16 recording all of the comments publicly as testimony
17 for the hearing.

18 Any additional questions?

19 COMMISSIONER GERHART: Could you provide the
20 website?

21 MS. ROBINSON: The website is going to be
22 found at insuranceca.iowa.gov. There will be a link
23 there. Additionally, every affected policyholder did
24 receive personal notification with a link to the
25 website. Individuals can still call our offices or

1 submit any of their concerns and testimony by mail or
2 by e-mail or by fax.

3 So as long as we receive the information,
4 we're still able to record that for the public, and
5 add it to the public testimony. Again, by Iowa law,
6 that continues to accumulate until a decision is made
7 by the Commissioner.

8 COMMISSIONER GERHART: Thank you for that,
9 Angel.

10 Now we're going to turn it over to any other
11 parties, interested parties, at the other locations
12 for an opportunity to make a comment.

13 Is there anybody in Burlington who would
14 like to speak?

15 (No response.)

16 COMMISSIONER GERHART: Is there anybody in
17 Council Bluffs?

18 UNIDENTIFIED VOICE: Nobody in Council
19 Bluffs.

20 COMMISSIONER GERHART: Anybody in Cedar
21 Rapids?

22 (No response.)

23 COMMISSIONER GERHART: Anyone in Fort Dodge?

24 UNIDENTIFIED VOICE: No one in Fort Dodge.

25 COMMISSIONER GERHART: Is there anyone in

1 Mason City?

2 (No response.)

3 COMMISSIONER GERHART: And, lastly, anyone
4 in Spencer?

5 (No response.)

6 COMMISSIONER GERHART: Now it's the time for
7 remarks from CoOpportunity Health, and I would ask for
8 the representative of CoOpportunity Health to identify
9 himself for the record, please.

10 MS. LAWRENCE: Press it the whole time
11 you're speaking.

12 MS. ROBINSON: You have to identify
13 yourself.

14 MR. LYONS: Thank you, Commissioner. I am
15 David Lyons. I am the chief executive officer with
16 CoOpportunity Health, which is a 501(c)(29) nonprofit
17 entity. We're new to the Iowa and Nebraska markets.

18 Just very brief comments. We appreciate all
19 of the input we have received from members both
20 through this public hearing process, and directly
21 from them through our customer service call lines and
22 through individual visits. They are engaged, they
23 are expressing concerns with affordability, and they
24 are asking for what our plans will be to be able to
25 control those costs in the future.

1 As a nonprofit member-directed entity, our
2 top issue is affordability. The rate increases we
3 are requesting are not meant to generate profits.
4 They're meant to generate a stable atmosphere in
5 which we can provide coverage. It's also important
6 to note that if there were any profit or surplus, it
7 does go back to members.

8 And the third issue is, there are some
9 questions about different levels of rate increases
10 people are seeing in the marketplace, and I just
11 wanted to add that as an entity that can only file
12 ACA-compliant plans, the rate increases for those
13 plans are appearing higher than those that can still
14 use noncompliant plans. And so that's just not an
15 option that CoOpportunity Health has.

16 We will review and continue to review every
17 complaint that is received and posted on your
18 website; we will continue to follow-up with any of
19 the requests for information from your Consumer
20 Advocate; and we will continue to remain in
21 communication, providing any additional information
22 that you or your staff may need as you consider the
23 rate case.

24 COMMISSIONER GERHART: Thank you, David, for
25 those remarks.

1 I'd like to close with anyone interested in
2 contacting the Consumer Advocate can do so at the
3 toll free number. It's 877-955-1212. That's
4 877-955-1212. So simply contact Ms. Angel Robinson,
5 the Consumer Advocate, if you have any other comments
6 you would like to make.

7 Now we are--at the Insurance Division we are
8 reviewing the plans, we're working with our outside
9 consultants and the carrier, obviously. I don't have
10 a precise date on when we will have the decision
11 made, but it will probably be in the next 30 to 60
12 days that we will have a decision made on the
13 proposed rate increase.

14 And, again, there's some Exchange-based
15 plans we would have to send to CMS, to go through
16 that process as well, and so that could take a little
17 bit longer, as well, for some of the Exchange-based
18 qualified health plans.

19 So with that, we are going to conclude this
20 public hearing for CoOpportunity Health's proposed
21 2015 rate increase. Thank you.

22 (Proceedings concluded at 10:42 a.m.)
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C E R T I F I C A T E

I, the undersigned, a Certified Shorthand Reporter of the State of Iowa, do hereby certify that I acted as the official court reporter at the hearing in the above-entitled matter at the time and place indicated;

That I took in shorthand all of the proceedings had at the said time and place and that said shorthand notes were reduced to typewriting under my direction and supervision, and that the foregoing typewritten pages are a full and complete transcript of the shorthand notes so taken.

Dated at Des Moines, Iowa, this 30th day of July, 2014.

Theresa Kenkel
CERTIFIED SHORTHAND REPORTER